

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: **W. R. Grace & Co., et al**
Debtor

Case No. 01-01139 Jointly Administered
Reporting Period: June 2004

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

| REQUIRED DOCUMENTS | Form No. | Document Attached | Explanation Attached |
|--|------------------|--------------------------|-----------------------------|
| Schedule of Cash Receipts and Disbursements | MOR-1 | X | |
| Bank Reconciliation (or copies of debtor's bank reconciliations) | MOR-1 (con't) | X | |
| Copies of bank statements | | X | |
| Cash disbursements journals | | | Not available |
| Statement of Operations | MOR-2 | X | |
| Balance Sheet | MOR-3 | X | |
| Status of Postpetition Taxes | MOR-4 | X | |
| Copies of IRS Form 6123 or payment receipt | | | Not available |
| Copies of Federal income tax returns filed during reporting period | | | None filed |
| Summary of Unpaid Postpetition Debts | MOR-4 | | See Note #4 |
| Listing of aged accounts payable | | | See Note #4 |
| Accounts Receivable Reconciliation and Aging | MOR-5 | X | |
| Debtor Questionnaire | MOR-5 | X | |

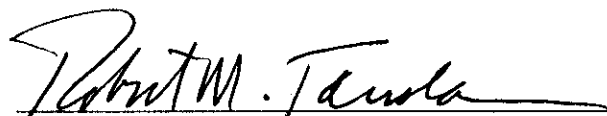
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor


Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*



Date

Robert M. Tarola

Printed Name of Authorized Individual

Senior Vice President and
Chief Financial Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

W. R. Grace & Co.
Monthly Financial Report
June 30, 2004

Table of Contents

Chart #

Form MOR

Monthly Operating Report

| | | |
|--|---|-------|
| Schedule of Cash Receipts and Disbursements | 1 | MOR-1 |
| Bank Reconciliations | 2 | MOR-1 |
| Combining Statement of Operations - Filing Entities Only | 3 | MOR-2 |
| Combining Balance Sheet - Filing Entities Only | 4 | MOR-3 |
| Status of Postpetition Taxes | 5 | MOR-4 |
| Accounts Receivable Reconciliation and Aging | 6 | MOR-5 |
| Debtor Questionnaire | 7 | MOR-5 |

Combined Chapter 11 Filing Entity Statements

| | |
|---|----|
| Combined Statement of Operations..... | 8 |
| Combined Functional Basis Statement of Cash Flows | 9 |
| Combined Balance Sheet | 10 |
| Notes to Combined Financial Statements | 11 |

Bank Statements

Federal Income Tax Returns

None

Forward-Looking Information

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

Statement of Confidentiality

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

Monthly Operating Report

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | JP Morgan Chase Disbursement 9101013572 | Wachovia Lockbox 8819038102 | First Union Deposit Acct 2199500021812 | First Union Payroll 2079900003615 | Merrill Lynch Investment 3323735 | Merrill Lynch Investment 3343175 | JP Morgan Chase Holding 823228141 |
|---|---|-----------------------------------|--|---|--|--|---|
| CASH BEGINNING OF MONTH | \$ 131,475 | \$ - | \$ (0) | \$ 0 | \$ 162,332,769 | \$ 0 | \$ 739,413 |
| RECEIPTS | | | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | | | | | | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | | | | | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | | | | |
| DIP BORROWINGS | | | | | | | |
| TRANSFERS IN - THIRD PARTIES | | | 446,752 | | | | |
| TRANSFERS IN - NONFILING ENTITIES | | | | | | | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | 200,000 | | | 2,509,845 | 81,900,000 | | |
| MISCELLANEOUS | | | 4,620 | | 146,427 | | 624 |
| TOTAL RECEIPTS | 200,000 | - | 451,372 | 2,509,845 | 82,046,427 | - | 624 |
| DISBURSEMENTS | | | | | | | |
| PAYROLL | | | | 1,692,364 | | | |
| PAYROLL TAXES | | | | 801,886 | | | |
| TRADE PAYABLES - THIRD PARTIES | | | | | | | |
| TRADE PAYABLES - INTERCOMPANY | | | | | | | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | | | | |
| DIP PRINCIPAL REPAYMENTS | | | | | | | |
| DIP INTEREST AND USAGE FEES | | | | | | | |
| TRANSFERS OUT - THIRD PARTIES | 207,459 | | | | | | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | | | | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | | 451,372 | | 49,400,000 | | |
| MISCELLANEOUS | | | | 15,596 | | | |
| TOTAL DISBURSEMENTS | 207,459 | - | 451,372 | 2,509,845 | 49,400,000 | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | (7,459) | - | - | 0 | 32,646,427 | - | 624 |
| CASH - END OF MONTH | 124,016 | - | (0) | 0 | 194,979,195 | 0 | 740,038 |

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | JP Morgan Chase Concentration 16001257 | Bank of America Lockbox 8188203114 | First Union Concentration 2000000282172 | First Union Payroll 2079900016741 | First Union Petty Cash 2079900006800 | Chive Bank Payroll 15502015738 | First Union Lobby Medical 20799000065006 |
|---|--|--|---|---|--|--------------------------------------|--|
| CASH BEGINNING OF MONTH | \$ 297,878 | \$ 2,554,554 | \$ 0 | \$ - | \$ - | \$ 0 | \$ - |
| RECEIPTS | | | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | 44,519,523 | | | | | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | 247,978 | | | | | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | | | | |
| DIP BORROWINGS | | | | | | | |
| TRANSFERS IN - THIRD PARTIES | 3,150,000 | | | | | | |
| TRANSFERS IN - NONFILING ENTITIES | 57,854,956 | | | | | | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | 141,437,462 | | 80,400,000 | 5,496,721 | 19,501 | | 107,353 |
| MISCELLANEOUS | | | | | 12,061 | | |
| TOTAL RECEIPTS | 202,442,419 | 44,767,501 | 80,400,000 | 5,496,721 | 31,562 | - | 107,353 |
| DISBURSEMENTS | | | | | | | |
| PAYROLL | | | | 3,690,595 | | | |
| PAYROLL TAXES | | | | 1,756,094 | | | |
| TRADE PAYABLES - THIRD PARTIES | 202,991 | | | | | | |
| TRADE PAYABLES - INTERCOMPANY | | | | | | | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | | | | |
| DIP PRINCIPAL REPAYMENTS | | | | | | | |
| DIP INTEREST AND USAGE FEES | 182,444 | | | | | | |
| TRANSFERS OUT - THIRD PARTIES | 12,221,874 | 959,389 | | | 31,562 | | |
| TRANSFERS OUT - NONFILING ENTITIES | 17,231,315 | | | | | | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | 172,661,966 | 44,789,477 | 80,374,886 | | | | |
| MISCELLANEOUS | | | 25,114 | 50,032 | | | 107,353 |
| TOTAL DISBURSEMENTS | 202,500,591 | 45,748,866 | 80,400,000 | 5,496,721 | 31,562 | - | 107,353 |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | (58,172) | (981,364) | - | - | (0) | - | - |
| CASH - END OF MONTH | 239,706 | 1,573,189 | 0 | - | (0) | 0 | - |

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | First Union Accts Payable 2079820006761 | First Union Payroll 2079900067554 | Wachovia Lockbox 1866-082535 | First Union Accts payable 2079900005280 | First Union Accts Payable 2079900005231 | Alliant Payroll 16288831 | SunTrust Payroll 00000141309 | PNC 4002641360 |
|---|---|---|------------------------------------|---|---|--------------------------------|------------------------------------|-------------------|
| CASH BEGINNING OF MONTH | \$ (0) | \$ - | \$ 0 | \$ 0 | \$ 0 | \$ 52,114 | \$ 45,246 | \$ 24,567 |
| RECEIPTS | | | | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | | 31,262,548 | | | | | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | 13,684,208 | | | | | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | | | | | |
| DIP BORROWINGS | | | | | | | | |
| TRANSFERS IN - THIRD PARTIES | | | | | | | | |
| TRANSFERS IN - NONFILING ENTITIES | | | | | | | | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | 35,006,871 | 1,602,385 | | 2,308,097 | 33,324,114 | 4,317,575 | | |
| MISCELLANEOUS | | | | | | | | |
| TOTAL RECEIPTS | 35,006,871 | 1,602,385 | 44,946,756 | 2,308,097 | 33,324,114 | 4,317,575 | - | - |
| DISBURSEMENTS | | | | | | | | |
| PAYROLL | | 957,818 | | | | 2,734,264 | | |
| PAYROLL TAXES | | 460,266 | | | | 1,583,311 | | |
| TRADE PAYABLES - THIRD PARTIES | 34,080,412 | | | 1,794,466 | 32,996,046 | | | |
| TRADE PAYABLES - INTERCOMPANY | | | | | | | | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | | | | | |
| DIP PRINCIPAL REPAYMENTS | | | | | | | | |
| DIP INTEREST AND USAGE FEES | | | | | | | | |
| TRANSFERS OUT - THIRD PARTIES | | | | | | | | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | | | | | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | | 44,717,515 | | | | | |
| MISCELLANEOUS | 926,458 | 184,301 | 229,241 | 513,631 | 328,067 | 14,862 | | |
| TOTAL DISBURSEMENTS | 35,006,871 | 1,602,385 | 44,946,756 | 2,308,097 | 33,324,114 | 4,332,437 | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | - | - | - | (14,862) | - | - |
| CASH - END OF MONTH | (0) | - | 0 | 0 | 0 | 37,252 | 45,246 | 24,567 |

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | Hibernia Natl Disbursement 101391210 | Bank of America Payroll 0000 0002 2137 | Allfirst Payroll 16268857 | First Union Petty Cash 2040000016900 | Banco de Credito Operating Acct 1931115122056 | Banco de Credito Operating Acct 1931125963172 | Banco de Credito Time Deposit 0015820 |
|---|--|--|---------------------------------|--|---|---|---|
| CASH BEGINNING OF MONTH | \$ 10,000 | \$ - | \$ 273,090 | \$ 56,332 | \$ 2,709 | \$ 82,225 | \$ - |
| RECEIPTS | | | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | | | | 13,626 | 234,938 | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | | | | | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | | | | |
| DIP BORROWINGS | | | | | | | |
| TRANSFERS IN - THIRD PARTIES | | | | | 27,072 | | |
| TRANSFERS IN - NONFILING ENTITIES | | | | | | | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | | 5,591,288 | | | | |
| MISCELLANEOUS | | | 2,292 | | | | |
| TOTAL RECEIPTS | - | - | 5,593,580 | - | 40,698 | 234,938 | - |
| DISBURSEMENTS | | | | | | | |
| PAYROLL | | | 3,650,275 | | 865 | | |
| PAYROLL TAXES | | | 1,941,013 | | 4,506 | | |
| TRADE PAYABLES - THIRD PARTIES | | | | | | | |
| TRADE PAYABLES - INTERCOMPANY | | | | | | | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | | | | |
| DIP PRINCIPAL REPAYMENTS | | | | | | | |
| DIP INTEREST AND USAGE FEES | | | | | | | |
| TRANSFERS OUT - THIRD PARTIES | | | | | 25,548 | 27,029 | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | | | | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | | | | | | |
| MISCELLANEOUS | | | | | 7,241 | 6,051 | |
| TOTAL DISBURSEMENTS | - | - | 5,591,288 | - | 38,160 | 33,080 | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | 2,292 | - | 2,538 | 201,858 | - |
| CASH - END OF MONTH | 10,000 | - | 275,382 | 56,332 | 5,248 | 284,083 | - |

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | Bank of Boston Operating Acct 0154519 | Bank of Boston Operating Acct 0154424 | Cash in Transit | Cash on Hand | Other | CURRENT MONTH | |
|---|---|---|--------------------|-----------------|------------|----------------|-----------|
| | | | | | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ 1,890 | \$ 538,801 | \$ 2,079,099 | \$ 43,925 | \$ 346,172 | \$ 169,612,260 | |
| RECEIPTS | | | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | 184,203 | | | | 76,214,838 | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | | | | 13,932,186 | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | | | - | |
| DIP BORROWINGS | | | | | | - | |
| TRANSFERS IN - THIRD PARTIES | 56,266 | | | | | 3,680,090 | |
| TRANSFERS IN - NONFILING ENTITIES | | | | | | 57,854,956 | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | | | | | 394,221,212 | |
| MISCELLANEOUS | | | 3,453 | | | 169,478 | |
| TOTAL RECEIPTS | 56,266 | 184,203 | 3,453 | - | - | 546,072,760 | - |
| DISBURSEMENTS | | | | | | | |
| PAYROLL | 7,186 | | | | | 12,733,368 | |
| PAYROLL TAXES | 1,171 | | | | | 6,548,247 | |
| TRADE PAYABLES - THIRD PARTIES | | 223,277 | | | | 69,297,192 | |
| TRADE PAYABLES - INTERCOMPANY | | | | | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | | | - | |
| DIP PRINCIPAL REPAYMENTS | | | | | | - | |
| DIP INTEREST AND USAGE FEES | | | | | | 182,444 | |
| TRANSFERS OUT - THIRD PARTIES | 31,739 | 56,000 | | | | 13,580,800 | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | | | 17,231,315 | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | | 2,079,098 | | | 394,474,315 | |
| MISCELLANEOUS | 3,901 | 11,059 | | | 29,652 | 2,462,558 | |
| TOTAL DISBURSEMENTS | 43,997 | 290,335 | 2,079,098 | - | 29,652 | 516,480,039 | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | 12,269 | (106,132) | (2,075,645) | - | (29,652) | 29,592,722 | - |
| CASH - END OF MONTH | 14,159 | 432,669 | 3,453 | 43,925 | 316,519 | 199,204,981 | \$ - |

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co.

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | JP Morgan Chase Pass Through 323861983 | CURRENT MONTH | |
|---|--|---------------|-----------|
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ (0) | \$ (0) | |
| RECEIPTS | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | 253,103 | 253,103 | |
| TOTAL RECEIPTS | 253,103 | 253,103 | - |
| DISBURSEMENTS | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | 253,103 | 253,103 | |
| MISCELLANEOUS | | - | |
| TOTAL DISBURSEMENTS | 253,103 | 253,103 | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | | - | - |
| CASH - END OF MONTH | \$ (0) | \$ (0) | \$ - |

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | JP Morgan Chase Depository/Wire 323883842 | JP Morgan Chase Disbursement 601831985 | Other | CURRENT MONTH | |
|---|---|--|------------|---------------|-----------|
| | | | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ - | \$ (75,056) | \$ (2,501) | \$ (77,557) | |
| RECEIPTS | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | - | |
| DIP BORROWINGS | | | | - | |
| TRANSFERS IN - THIRD PARTIES | | | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | 253,103 | | 253,103 | |
| TOTAL RECEIPTS | - | 253,103 | - | 253,103 | |
| DISBURSEMENTS | | | | | |
| PAYROLL | | | | - | |
| PAYROLL TAXES | | | | - | |
| TRADE PAYABLES - THIRD PARTIES | | | | - | |
| TRADE PAYABLES - INTERCOMPANY | | | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | - | |
| DIP PRINCIPAL REPAYMENTS | | | | - | |
| DIP INTEREST AND USAGE FEES | | | | - | |
| TRANSFERS OUT - THIRD PARTIES | | 261,430 | | 261,430 | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | | | - | |
| MISCELLANEOUS | | | | - | |
| TOTAL DISBURSEMENTS | - | 261,430 | - | 261,430 | |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | (8,327) | - | (8,327) | |
| CASH - END OF MONTH | - | (83,384) | (2,501) | (85,885) | |

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

June 2004

| | Chibank Operating Acct 300153011 | Petty Cash | Other | CURRENT MONTH | |
|---|--|---------------|-------------|---------------|-----------|
| | | | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ 2,446,308 | \$ 1,500 | \$ (51,673) | \$ 2,396,135 | |
| RECEIPTS | | | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | 958,285 | | | 958,285 | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | | | - | |
| DIP BORROWINGS | | | | - | |
| TRANSFERS IN - THIRD PARTIES | | | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | 678,483 | | | 678,483 | |
| TOTAL RECEIPTS | 1,636,768 | - | - | 1,636,768 | - |
| DISBURSEMENTS | | | | | |
| PAYROLL | 7,072 | | | 7,072 | |
| PAYROLL TAXES | | | | - | |
| TRADE PAYABLES - THIRD PARTIES | 303,322 | | | 303,322 | |
| TRADE PAYABLES - INTERCOMPANY | | | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | | | - | |
| DIP PRINCIPAL REPAYMENTS | | | | - | |
| DIP INTEREST AND USAGE FEES | | | | - | |
| TRANSFERS OUT - THIRD PARTIES | | | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | 678,483 | | | 678,483 | |
| MISCELLANEOUS | | | | - | |
| TOTAL DISBURSEMENTS | 988,877 | - | - | 988,877 | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | 647,891 | - | - | 647,891 | - |
| CASH - END OF MONTH | 3,094,199 | 1,500 | (51,673) | 3,044,026 | - |

Chart 1

| CC Partners | | | |
|---|--|---------------|-----------|
| Schedule of Cash Receipts and Disbursements | | | |
| MOR-1 | | | |
| June 2004 | | | |
| | First Union Deposit Acct 2199500031802 | CURRENT MONTH | |
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ - | \$ - | |
| RECEIPTS | | | |
| | No Activity | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | - | |
| TOTAL RECEIPTS | - | - | - |
| DISBURSEMENTS | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | - | |
| MISCELLANEOUS | | - | |
| TOTAL DISBURSEMENTS | - | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | - |
| CASH - END OF MONTH | \$ - | \$ - | \$ - |

| Kootenai Development Company | | | |
|---|--|---------------|-----------|
| Schedule of Cash Receipts and Disbursements | | | |
| MOR-1 | | | |
| June 2004 | | | |
| | First National Bank of Montana 1048097 | CURRENT MONTH | |
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ 17,363 | \$ 17,363 | |
| RECEIPTS | | | |
| | No Activity | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | - | |
| TOTAL RECEIPTS | - | - | - |
| DISBURSEMENTS | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | - | |
| MISCELLANEOUS | | - | |
| TOTAL DISBURSEMENTS | - | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | - |
| CASH - END OF MONTH | \$ 17,363 | \$ 17,363 | \$ - |

| Grace Europe, Inc. | | | |
|---|----------------------|---------------|-----------|
| Schedule of Cash Receipts and Disbursements | | | |
| MOR-1 | | | |
| June 2004 | | | |
| | Barclays Bank PLC | CURRENT MONTH | |
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ (435) | \$ (435) | |
| RECEIPTS | | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | - | |
| TOTAL RECEIPTS | - | - | - |
| DISBURSEMENTS | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | - | |
| MISCELLANEOUS | 227 | 227 | |
| TOTAL DISBURSEMENTS | 227 | 227 | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | (227) | (227) | - |
| CASH - END OF MONTH | \$ (662) | \$ (662) | \$ - |

Chart 1

| Gloucester New Communities Company, Inc. Schedule of Cash Receipts and Disbursements MOR-1 June 2004 | | | |
|---|-----------------|---------------|-----------|
| | Cash On Hand | CURRENT MONTH | |
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ 500 | \$ 500 | |
| RECEIPTS | | | |
| | No Activity | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | - | |
| TOTAL RECEIPTS | - | - | - |
| DISBURSEMENTS | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | - | |
| MISCELLANEOUS | | - | |
| TOTAL DISBURSEMENTS | - | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | - |
| CASH - END OF MONTH | \$ 500 | \$ 500 | \$ - |

| Dewey & Almy, LLC | | | |
|--|---------------|---------------|-----------|
| Schedule of Cash Receipts and Disbursements | | | |
| MOR-1 | | | |
| June 2004 | | | |
| | Miscellaneous | CURRENT MONTH | |
| | | ACTUAL | PROJECTED |
| CASH BEGINNING OF MONTH | \$ 1,000 | \$ 1,000 | |
| RECEIPTS | | | |
| | No Activity | | |
| ACCOUNTS RECEIVABLE - THIRD PARTIES | | - | |
| ACCOUNTS RECEIVABLE - INTERCOMPANY | | - | |
| ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI | | - | |
| DIP BORROWINGS | | - | |
| TRANSFERS IN - THIRD PARTIES | | - | |
| TRANSFERS IN - NONFILING ENTITIES | | - | |
| TRANSFERS IN - FILING ENTITY CASH ACCOUNTS | | - | |
| TOTAL RECEIPTS | - | - | - |
| DISBURSEMENTS | | | |
| | | | |
| PAYROLL | | - | |
| PAYROLL TAXES | | - | |
| TRADE PAYABLES - THIRD PARTIES | | - | |
| TRADE PAYABLES - INTERCOMPANY | | - | |
| ACCOUNT SECURITIZATION | | - | |
| PAYMENTS AS SERVICER FOR GRPI | | - | |
| DIP PRINCIPAL REPAYMENTS | | - | |
| DIP INTEREST AND USAGE FEES | | - | |
| TRANSFERS OUT - THIRD PARTIES | | - | |
| TRANSFERS OUT - NONFILING ENTITIES | | - | |
| TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS | | - | |
| MISCELLANEOUS | | - | |
| TOTAL DISBURSEMENTS | - | - | - |
| NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS) | - | - | - |
| CASH - END OF MONTH | \$ 1,000 | \$ 1,000 | \$ - |

| | JP Morgan Chase Disbursement 9101013572 | Wachovia Lockbox 8619039102 | First Union Deposit Acct 2199500021812 | Merrill Lynch Investment 3323735 | Merrill Lynch Investment 31833431756 | | | | | |
|-----------------------------------|---|-----------------------------------|--|--|--|----------|-------|--------|-------|--------|
| Balance per books | \$ 131,475 | \$ - | \$ - | \$ 162,332,769 | \$ - | | | | | |
| Bank Balance | \$ 131,475 | \$ - | \$ 14,652 | \$ 162,332,769 | \$ - | | | | | |
| (+) Deposits in transit | - | - | - | - | - | | | | | |
| (-) Outstanding checks | - | - | - | - | - | | | | | |
| Other | - | - | (14,652) | - | - | | | | | |
| Adjusted bank balance | \$ 131,475 | \$ - | \$ - | \$ 162,332,769 | \$ - | | | | | |
| Deposits in Transit | Date | Amount | Date | Amount | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount |
| | | | | | | | | | | |
| Other | | | | | | | | | | |
| Transfers between bank accounts | | | | | | | | | | |
| Accounting error | | | | | | | | | | |
| Interest not recorded on books | | | | | | | | | | |
| Bank fees not recorded on books | | | | | | | | | | |
| Payroll tax payments not recorded | | | | | | | | | | |
| Unreconciled bank activity | | | | | | | | | | |
| Unreconciled ledger activity | | | | | | | | | | |
| Returned item adjustment | | | | | | | | | | |
| Payroll/other activity in transit | | | | | | | | | | |
| Petty cash funds | | | | | | | | | | |
| Reporting reclass | | | | | | | | | | |
| Unrecorded deposit | | | | | | (14,652) | | | | |

W. R. Grace & Co. - Conn
Bank Reconciliations
May 2004
MOR-1

| | JP Morgan Chase Holding 323223141 | | JP Morgan Chase Concentration 16001257 | | Bank of America Lookbox 8188203114 | | First Union Concentration 2000000282172 | | First Union Payroll 2079990016741 | |
|-----------------------------------|---|--------|--|--------|--|--------|---|-------------|---|---------|
| Balance per books | \$ 739,413 | | \$ 297,878 | | \$ 2,554,554 | | \$ - | | \$ - | |
| Bank Balance | \$ 740,037 | | \$ 297,878 | | \$ 2,554,554 | | \$ 1,884,824 | | \$ - | |
| (+) Deposits in transit | - | | - | | - | | - | | - | |
| (-) Outstanding checks | - | | - | | - | | - | | (218,839) | |
| Other | (624) | | - | | - | | (1,884,824) | | 218,839 | |
| Adjusted bank balance | \$ 739,413 | | \$ 297,878 | | \$ 2,554,554 | | \$ - | | \$ - | |
| Deposits in Transit | Date | Amount | Date | Amount | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount |
| | | | | | | | | | Detail available | |
| Other | | | | | | | | | | |
| Transfers between bank accounts | | | | | | | | | | |
| Accounting error | | | | | | | | | | |
| Interest not recorded on books | | (624) | | | | | | | | |
| Bank fees not recorded on books | | | | | | | | | | |
| Payroll tax payments not recorded | | | | | | | | | | |
| Unreconciled bank activity | | | | | | | | (1,252) | | 2,336 |
| Unreconciled ledger activity | | | | | | | | (1,252) | | 1,842 |
| Returned item adjustment | | | | | | | | | | |
| Payroll/other activity in transit | | | | | | | | | | |
| Petty cash funds | | | | | | | | | | |
| Reporting reclass | | | | | | | | | | |
| Unrecorded deposit | | | | | | | | (1,882,320) | | 214,661 |

W. R. Grace & Co. - Conn
Bank Reconciliations
May 2004
MOR-1

| | First Union Petty Cash 2079900005600 | | Civic Bank Payroll 15562015736 | | First Union Libby Medical 20799000065006 | | First Union Accts Payable 20799200005781 | | First Union Payroll 20799000067554 | |
|-----------------------------------|--|----------|--------------------------------------|--------|--|--------|--|-----------|--|---------|
| Balance per books | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| Bank Balance | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| (+) Deposits in transit | - | | - | | - | | - | | - | |
| (-) Outstanding checks | (221) | | - | | - | | (4,852,784) | | (102,487) | |
| Other | 221 | | - | | - | | 4,852,784 | | 102,487 | |
| Adjusted bank balance | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | |
| Deposits in Transit | Date | Amount | Date | Amount | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount |
| | 12586 | (15) | | | | | Detail Available | | Detail Available | |
| | 12589 | (88) | | | | | | | | |
| | 12590 | (30) | | | | | | | | |
| | 37009 | (88) | | | | | | | | |
| Other | | | | | | | | | | |
| Transfers between bank accounts | | | | | | | | | | |
| Accounting error | | | | | | | | | | |
| Interest not recorded on books | | | | | | | | | | |
| Bank fees not recorded on books | | 65 | | | | | | | | |
| Payroll tax payments not recorded | | | | | | | | | | |
| Unreconciled bank activity | | 12,793 | | | | | | 21,292 | | (453) |
| Unreconciled ledger activity | | | | | | | | (52,050) | | (4,892) |
| Returned item adjustment | | | | | | | | | | |
| Payroll/other activity in transit | | | | | | | | | | |
| Petty cash funds | | | | | | | | | | |
| Reporting reclass | | (12,637) | | | | | | 4,883,542 | | 107,832 |
| Unrecorded deposit | | | | | | | | | | |

[illegible]

W. R. Grace & Co. - Conn
Bank Reconciliations
May 2004
MOR-1

| | PNC 4002641380 | | Hibernia Natl Disbursement 101391210 | | Bank of America Payroll 0000 0002 2137 | | Allfirst Payroll 16298657 | | First Union Petty Cash 2040000018900 | |
|-----------------------------------|-------------------|--------|--|--------|--|--------|---------------------------------|--------|--|---------|
| Balance per books | \$ 24,567 | | \$ 10,000 | | \$ - | | \$ 273,090 | | \$ 56,332 | |
| Bank Balance | \$ 24,526 | | \$ 10,000 | | \$ - | | \$ 313,659 | | \$ 45,310 | |
| (+) Deposits in transit | - | | - | | - | | - | | - | |
| (-) Outstanding checks | - | | - | | - | | (40,569) | | - | |
| Other | 41 | | - | | - | | - | | 11,022 | |
| Adjusted bank balance | \$ 24,567 | | \$ 10,000 | | \$ - | | \$ 273,090 | | \$ 56,332 | |
| Deposits in Transit | Date | Amount | Date | Amount | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount |
| | | | | | | | Detail Available | | | |
| Other | | | | | | | | | | |
| Transfers between bank accounts | | | | | | | | | | |
| Accounting error | | | | | | | | | | |
| Interest not recorded on books | | | | | | | | | | |
| Bank fees not recorded on books | | | | | | | | | | |
| Payroll tax payments not recorded | | 41 | | | | | | | | |
| Unreconciled bank activity | | | | | | | | | | (26) |
| Unreconciled ledger activity | | | | | | | | | | |
| Returned item adjustment | | | | | | | | | | |
| Payroll/other activity in transit | | | | | | | | | | (4,952) |
| Petty cash funds | | | | | | | | | | 16,000 |
| Reporting reclass | | | | | | | | | | |
| Unrecorded deposit | | | | | | | | | | |

W. R. Grace & Co - Conn
Bank Reconciliations
May 2004
MOR-1

| | Banco de Credito Operating Acct 1931115122058 | | Banco de Credito Operating Acct 1931125963172 | | Banco de Credito Time Deposit 0015820 | | Bank of Boston Operating Acct 0154519 | | Bank of Boston Operating Acct 0154424 | |
|-----------------------------------|---|-----------|---|-----------|---|--------|---|----------|---|------------|
| Balance per books | (Soles) | 9,457 | (US\$) | \$ 82,225 | (US\$) | \$ - | (Soles) | 6,598 | (US\$) | \$ 538,801 |
| Bank Balance | | \$ 12,235 | | \$ 82,523 | | \$ - | | \$ 6,598 | | \$ 538,801 |
| (+) Deposits in transit | | - | | - | | - | | - | | - |
| (-) Outstanding checks | | (2,778) | | (298) | | - | | - | | - |
| Other | | - | | - | | - | | - | | - |
| Adjusted bank balance | | \$ 9,457 | | \$ 82,225 | | \$ - | | \$ 6,598 | | \$ 538,801 |
| Deposits in Transit | Date | Amount | Date | Amount | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount | Ck. # | Amount |
| | 921314 | (240) | 8711303 | (298) | | | | | | |
| | 921325 | (240) | | | | | | | | |
| | 793552 | (639) | | | | | | | | |
| | various | (1,659) | | | | | | | | |
| Other | | | | | | | | | | |
| Transfers between bank accounts | | | | | | | | | | |
| Accounting error | | | | | | | | | | |
| Interest not recorded on books | | | | | | | | | | |
| Bank fees not recorded on books | | | | | | | | | | |
| Payroll tax payments not recorded | | | | | | | | | | |
| Unreconciled bank activity | | | | | | | | | | |
| Unreconciled ledger activity | | | | | | | | | | |
| Returned item adjustment | | | | | | | | | | |
| Payroll/other activity in transit | | | | | | | | | | |
| Petty cash funds | | | | | | | | | | |
| Reporting reclass | | | | | | | | | | |
| Unrecorded deposit | | | | | | | | | | |

| Remedium Group, Inc. Bank Reconciliations May 2004 MOR-1 | | | | |
|---|--|--------|--|----------|
| | JP Morgan Chase Pass Through 323883842 | | JP Morgan Chase Disbursement 601831985 | |
| Balance per books | \$ - | | \$ (75,056) | |
| Bank Balance | \$ - | | \$ - | |
| (+) Deposits in transit | - | | - | |
| (-) Outstanding checks | - | | (75,056) | |
| Other | - | | - | |
| Adjusted bank balance | \$ - | | \$ (75,056) | |
| Deposits in Transit | Date | Amount | Date | Amount |
| | | | | |
| Outstanding Checks | Ck. # | Amount | Ck. # | Amount |
| | | | 5255 | (84) |
| | | | 5505 | (94) |
| | | | 5524 | (200) |
| | | | 5546 | (13,112) |
| | | | 5548 | (31) |
| | | | 5550 | (104) |
| | | | 5551 | (2,000) |
| | | | 5552 | (60) |
| | | | 5553 | (436) |
| | | | 5554 | (3,061) |
| | | | 5555 | (71) |
| | | | 5556 | (86) |
| | | | 5558 | (400) |
| | | | 5560 | (10,963) |
| | | | 5561 | (300) |
| | | | 5562 | (38,397) |
| | | | 5563 | (2,024) |
| | | | 5564 | (1,895) |
| | | | 5565 | (1,205) |
| | | | 5566 | (35) |
| | | | 5567 | (100) |
| | | | 5568 | (1,905) |
| | | | 5569 | (40) |
| | | | 5570 | (136) |
| | | | 5571 | (168) |
| | | | 5572 | (1,000) |
| | | | 5573 | (204) |
| | | | 5300 | 3,055 |
| Other | | | | |
| Transfers between bank accounts | | | | |
| Accounting error | | | | |
| Interest not recorded on books | | | | |
| Bank fees not recorded on books | | | | |
| Payroll tax payments not recorded | | | | |
| Unreconciled bank activity | | | | |
| Unreconciled ledger activity | | | | |
| Returned item adjustment | | | | |
| Payroll activity in transit | | | | |
| Petty cash funds | | | | |

8 of 12

9 of 12

| Darex Puerto Rico, Inc. Bank Reconciliations May 2004 MOR-1 | | |
|--|---|----------|
| | Citibank Operating Acct 300159011 | |
| Balance per books | \$ 2,446,308 | |
| Bank Balance | \$ 2,584,190 | |
| (+) Deposits in transit | 9,646 | |
| (-) Outstanding checks | (148,490) | |
| Other | 962 | |
| Adjusted bank balance | \$ 2,446,308 | |
| Deposits in Transit | Date | Amt |
| | 26-May-04 | 9,646 |
| Outstanding Checks | Ck. # | Amt |
| | 15461 | (27) |
| | 15904 | (728) |
| | 16874 | (778) |
| | 16971 | (920) |
| | 16973 | (500) |
| | 16979 | (600) |
| | 16983 | (2,363) |
| | 16984 | (6,452) |
| | 16985 | (3,163) |
| | 16993 | (79,273) |
| | 16986 | (19) |
| | 16987 | (7,931) |
| | 16988 | (162) |
| | 16989 | (1,440) |
| | 16990 | (50) |
| | 16991 | (65) |
| | 16995 | (8,250) |
| | 16996 | (19,354) |
| | 16997 | (1,221) |
| | 16998 | (90) |
| | 16999 | (196) |
| | 17000 | (11,710) |
| | 17001 | (52) |
| | 17002 | (150) |
| | various | (2,996) |
| Other | | |
| Transfers between bank accounts | | |
| Accounting error | | |
| Interest not recorded on books | | |
| Bank fees not recorded on books | | 1,049 |
| Payroll tax payments not recorded | | (87) |
| Unreconciled bank activity | | |
| Unreconciled ledger activity | | |
| Returned item adjustment | | |
| Payroll activity in transit | | |
| Petty cash funds | | |

11 of 12

12 of 12

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | W.R. Grace & Co. - Conn. | W.R. Grace & Co. | Remedium Group, Inc. | CCHP, Inc. | CC Partners | Grace Washington, Inc. | Litigation Management, Inc. | Grace Europe, Inc. | L.B. Realty, Inc. |
|--|-----------------------------|---------------------|-------------------------|------------------|-------------------|------------------------------|-----------------------------------|-----------------------|----------------------|
| Net sales to third parties | \$ 78,375,945 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | 23,565,555 | - | - | - | - | - | - | - | - |
| Net sales to filing entities | 143,725 | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | 558,554 | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | (5,927,370) | 4,109,905 | 822,293 | 19,173 | 845,233 | - | 2,031,324 | - | - |
| | 96,716,409 | 4,109,905 | 822,293 | 19,173 | 845,233 | - | 2,031,324 | - | - |
| Cost of goods sold to third parties | 50,579,493 | - | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | 19,600,088 | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | 133,601 | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | 29,479,532 | - | 6,016 | - | - | 57,380 | - | - | - |
| Research and development expenses | 2,873,952 | - | - | - | - | - | - | - | - |
| Depreciation and amortization | 4,445,508 | - | 2,317 | - | - | - | - | - | - |
| Interest expense | 1,179,258 | - | - | - | - | - | - | 228 | - |
| Other (income) expense | (1,446,288) | - | - | - | - | - | - | - | - |
| | 106,845,144 | - | 8,333 | - | - | 57,380 | - | 228 | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | (10,128,735) | 4,109,905 | 813,960 | 19,173 | 845,233 | (57,380) | 2,031,324 | (228) | - |
| Chapter 11 reorganization expenses, net | (551,970) | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | 1,883,500 | (1,438,466) | (285,041) | (6,710) | (295,832) | 430 | (710,964) | (263) | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ (8,797,205) | \$ 2,671,439 | \$ 528,919 | \$ 12,463 | \$ 549,401 | \$ (56,950) | \$ 1,320,360 | \$ (491) | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | Grace International Holdings, Inc. | Derex Puerto Rico, Inc. | Alewiffe Land Corporation | Alewiffe Boston, Ltd. | Five Alewiffe Boston Ltd. | GN Holdings, Inc. | MRA Holdings Corp. | MRA Intermedco, Inc. | MRA Staffing Systems, Inc. | Kootenai Development Company |
|--|--|----------------------------|------------------------------|--------------------------|------------------------------|----------------------|-----------------------|----------------------------|-------------------------------|------------------------------------|
| Net sales to third parties | \$ - | \$ 704,714 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net sales to filing entities | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | 1,531,084 | - | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | (1,862,708) | - | - | - | - | - | - | - | - | - |
| | (331,625) | 704,714 | - | - | - | - | - | - | - | - |
| Cost of goods sold to third parties | 20 | 348,609 | 16,406 | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | - | 5,967 | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | - | 68,317 | - | - | - | - | - | - | - | - |
| Research and development expenses | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | 7,942 | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Other (income) expense | 55,899 | - | - | - | - | - | - | - | - | - |
| | 55,919 | 430,835 | 16,406 | - | - | - | - | - | - | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | (387,543) | 273,879 | (16,406) | - | - | - | - | - | - | - |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | (3,059,779) | (95,872) | 5,742 | - | - | - | - | - | - | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ (3,447,322) | \$ 178,007 | \$ (10,664) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | CB Biomedical, Inc. | Amicon, Inc. | Grace Environmental, Inc. | Grace Chemical Company of Cuba | Southern oil Resin & Fiberglass, Inc. | Guantanamo Caribe Land Development Corporation | Dewey & Army, LLC | A-1 Bit & Tool Co., Inc. | Grace Tarpon Investors, Inc. | G/C Limited Partners I, Inc. |
|--|------------------------|--------------|---------------------------------|---|---|---|----------------------|-----------------------------|---------------------------------|---------------------------------|
| Net sales to third parties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net sales to filing entities | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to third parties | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | - | - | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | - | - | - | - | - | - | - | - | - | - |
| Research and development expenses | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Other (income) expense | - | - | - | - | - | - | - | - | - | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | - | - | - | - | - | - | - | - | - | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | Monolith Enterprises, Incorporated | Grace Culinary Systems, Inc. | Grace Hotel Services Corporation | Monroe Street, Inc. | Grace H-G Inc. | Hanover Square Corporation | Ecarg, Inc. | W.R. Grace Land Corporation | G.C. Management, Inc. | Water Street Corporation |
|--|--|---------------------------------|--|------------------------|-------------------|----------------------------------|-------------|-----------------------------------|-----------------------------|-----------------------------|
| Net sales to third parties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net sales to filing entities | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to third parties | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | - | - | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | - | - | - | - | - | - | - | - | - | - |
| Research and development expenses | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Other (income) expense | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | - | - | - | - | - | - | - | - | - | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | Del Taco Restaurants, Inc. | W.R. Grace Capital Corporation | Gloucester New Communities Company, Inc. | Creative Food N' Fun Company | Grace PAR Corporation | Grace A-B Inc. | Homco International, Inc. | GPC Thomasville Corp. | Grace Ventures Corp. | Grace Energy Corporation |
|--|----------------------------------|--------------------------------------|---|------------------------------------|--------------------------|----------------|---------------------------------|-----------------------------|-------------------------|-----------------------------|
| Net sales to third parties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net sales to filing entities | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to third parties | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | - | - | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | - | - | - | - | - | - | - | - | - | - |
| Research and development expenses | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Other (income) expense | - | - | - | - | - | - | - | - | - | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | - | - | - | - | - | - | - | - | - | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | GEC Management Corporation | Grace Offshore Company | Coalgrace, Inc. | Grace A-B II Inc. | Grace H-G II Inc. | Coalgrace II, Inc. | Gracecoal II, Inc. | Gracecoal, Inc. | Grace Drilling Company | Grace Petroleum Lobby Incorporated |
|--|----------------------------------|------------------------------|-----------------|----------------------|----------------------|-----------------------|-----------------------|-----------------|---------------------------|---|
| Net sales to third parties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net sales to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net sales to filing entities | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from non-filing entities, net | - | - | - | - | - | - | - | - | - | - |
| Interest and royalties from filing entities, net | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to third parties | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Cost of goods sold to filing entities | - | - | - | - | - | - | - | - | - | - |
| Selling, general and administrative expenses | - | - | - | - | - | - | - | - | - | - |
| Research and development expenses | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Other (income) expense | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | - | - | - | - | - |
| (Provision for) benefit from income taxes | - | - | - | - | - | - | - | - | - | - |
| Minority interest in income of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | - | - | - | - | - | - |
| Net (loss) income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2004

| | Axial Beek Ranch Company | Hayden-Gulch West Coal Company | H-G Coal Company | Eliminations between Filing Entities | Conversion to Equity Method | COMBINED FILING ENTITIES |
|--|--------------------------------|--------------------------------------|---------------------|--|--------------------------------|-----------------------------|
| Net sales to third parties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,080,660 |
| Net sales to non-filing entities | - | - | - | - | - | 23,565,555 |
| Net sales to filing entities | - | - | - | (143,725) | - | - |
| Interest and royalties from non-filing entities, net | - | - | - | - | - | 2,089,637 |
| Interest and royalties from filing entities, net | - | - | - | (37,848) | - | - |
| | - | - | - | (181,574) | - | 104,735,852 |
| Cost of goods sold to third parties | - | - | - | - | - | 50,944,528 |
| Cost of goods sold to non-filing entities | - | - | - | - | - | 19,600,088 |
| Cost of goods sold to filing entities | - | - | - | (139,568) | - | - |
| Selling, general and administrative expenses | - | - | - | - | - | 29,611,246 |
| Research and development expenses | - | - | - | - | - | 2,873,952 |
| Depreciation and amortization | - | - | - | - | - | 4,455,767 |
| Interest expense | - | - | - | - | - | 1,179,486 |
| Other (income) expense | - | - | - | - | - | (1,390,389) |
| | - | - | - | (139,568) | - | 107,274,677 |
| (Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities | - | - | - | (42,006) | - | (2,538,826) |
| Chapter 11 reorganization expenses, net | - | - | - | - | - | (551,970) |
| (Provision for) benefit from income taxes | - | - | - | - | - | (4,003,255) |
| Minority interest in income of subsidiary | - | - | - | - | - | - |
| Equity in net income of non-filing entities | - | - | - | - | 18,008,385 | 18,008,385 |
| Net (loss) income | \$ - | \$ - | \$ - | \$ (42,006) | \$ 18,008,385 | \$ 10,914,335 |

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2004

| | W.R. Grace & Co. Conn | W.R. Grace & Co. | Remedium Group, Inc. | CCHP, Inc. | CC Partners | Grace Washington, Inc. |
|--|--------------------------|-----------------------|-------------------------|----------------------|-----------------------|---------------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ 199,204,981 | \$ - | \$ (85,885) | \$ - | \$ - | \$ - |
| Accounts and other receivables, net | 123,161,860 | - | - | - | - | - |
| Receivables from/(payables to) filing and non-filing entities, net | 337,510,024 | (419,208,104) | (12,002,614) | 12,885,005 | (37,739,222) | (9,813,571) |
| Inventories | 78,349,268 | - | - | - | - | - |
| Deferred income taxes | 20,424,218 | - | 11,528,828 | - | - | - |
| Other current assets | 16,192,284 | - | - | - | - | - |
| Total Current Assets | 774,842,637 | (419,208,104) | (559,671) | 12,885,005 | (37,739,222) | (9,813,571) |
| Properties and equipment, net | 364,053,313 | - | 443,744 | - | - | - |
| Goodwill | 14,499,090 | - | - | - | - | - |
| Cash value of company owned life insurance, net of policy loans | 96,598,587 | - | - | - | - | - |
| Deferred income taxes | 780,752,321 | - | 29,268,534 | - | - | - |
| Asbestos-related insurance receivable | 263,969,249 | - | - | - | - | - |
| Loans receivable from/(payable to) filing and non-filing entities, net | (1,384,216,547) | 874,825,890 | 130,381,002 | 4,936,559 | 213,434,748 | - |
| Investment in filing and non-filing entities | 789,393,749 | 241,512,111 | - | - | - | - |
| Other assets | 81,135,743 | - | - | - | - | - |
| Total Assets | \$ 1,781,028,141 | \$ 697,129,896 | \$ 159,533,606 | \$ 17,821,564 | \$ 175,695,527 | \$ (9,813,571) |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | | | | | |
| Liabilities Not Subject to Compromise | | | | | | |
| Current Liabilities | | | | | | |
| Debt payable within one year | \$ 0 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 43,765,136 | - | 69,637 | - | - | - |
| Income taxes payable | 268 | - | - | - | - | - |
| Asbestos-related liability expected to be disbursed within one year | - | - | - | - | - | - |
| Other current liabilities | 89,677,211 | - | 388,908 | - | - | 3,036 |
| Total Current Liabilities | 133,442,615 | - | 458,544 | - | - | 3,036 |
| Debt payable after one year | - | - | - | - | - | - |
| Deferred income taxes | 142,151,168 | - | - | - | - | - |
| Asbestos-related liability expected to be disbursed after one year | 0 | - | - | - | - | - |
| Other liabilities | 261,885,753 | 188,091 | 0 | - | (0) | - |
| Total Liabilities Not Subject to Compromise | 537,479,536 | 188,091 | 458,545 | - | (0) | 3,036 |
| Liabilities Subject to Compromise | | | | | | |
| Debt, pre-petition plus accrued interest | 557,211,342 | - | - | - | - | - |
| Accounts payable | 30,587,889 | - | 665,607 | - | - | - |
| Income taxes payable | 167,649,792 | 25,797,020 | (1,322,662) | 112,310 | 5,321,870 | (7,100) |
| Asbestos-related liability | 988,425,022 | - | - | - | - | - |
| Other liabilities | 497,146,340 | - | 116,077,134 | - | 32,094,183 | - |
| Total Liabilities Subject to Compromise | 2,241,020,385 | 25,797,020 | 115,420,078 | 112,310 | 37,416,053 | (7,100) |
| Total Liabilities | 2,778,499,920 | 25,985,111 | 115,878,623 | 112,310 | 37,416,053 | (4,064) |
| Shareholders' Equity (Deficit) | | | | | | |
| Preferred Stock | - | - | - | - | - | - |
| Common Stock | 83,968,960 | 771,117 | 12,223 | 1,000 | - | 1,000 |
| Paid in capital | 142,809,878 | 426,830,996 | 9,724,449 | 34,052,467 | 56,011,577 | - |
| (Accumulated deficit)/Retained earnings | (864,191,057) | 377,402,025 | 33,918,313 | (16,344,213) | 82,267,897 | (9,810,508) |
| Treasury stock, at cost | - | (133,859,453) | - | - | - | - |
| Accumulated other comprehensive loss | (360,059,580) | 100 | - | - | - | - |
| Total Shareholders' Equity (Deficit) | (997,471,779) | 671,144,785 | 43,654,985 | 17,709,254 | 138,279,474 | (9,809,508) |
| Total Liabilities and Shareholders' Equity (Deficit) | \$ 1,781,028,141 | \$ 697,129,896 | \$ 159,533,606 | \$ 17,821,564 | \$ 175,695,527 | \$ (9,813,571) |

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2004

| | Litigation Management, Inc. | Grace Europe, Inc. | L B Realty, Inc. | Grace International Holdings, Inc. | Darex Puerto Rico, Inc. | Alewife Land Corporation |
|--|--------------------------------|---------------------|-----------------------|---------------------------------------|----------------------------|-----------------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ (662) | \$ - | \$ - | \$ 3,044,026 | \$ - |
| Accounts and other receivables, net | - | 92,611 | - | - | 2,351,941 | - |
| Receivables from/(payables to) filing and non-filing entities, net | (386,938,460) | 5,677,029 | 140,524,854 | (84,749,767) | (670,212) | (4,170,411) |
| Inventories | - | (0) | - | - | 256,581 | - |
| Deferred income taxes | - | 85,492 | - | - | 4,084 | - |
| Other current assets | - | - | - | - | - | - |
| Total Current Assets | (386,938,460) | 5,854,470 | 140,524,854 | (84,749,767) | 4,986,420 | (4,170,411) |
| Properties and equipment, net | - | - | - | - | 686,174 | - |
| Goodwill | - | - | - | - | - | - |
| Cash value of company owned life insurance, net of policy loans | - | - | - | - | - | - |
| Deferred income taxes | - | - | - | - | - | - |
| Asbestos-related insurance receivable | - | - | - | - | - | - |
| Loans receivable from/(payable to) filing and non-filing entities, net | 481,955,988 | (3,280,981) | - | 89,099,473 | - | - |
| Investment in filing and non-filing entities | - | - | - | 58,669,464 | - | - |
| Other assets | - | 54,000 | - | (8,908,166) | 244,488 | - |
| Total Assets | \$ 95,017,528 | \$ 2,627,489 | \$ 140,524,854 | \$ 54,111,005 | \$ 5,917,082 | \$ (4,170,411) |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | | | | | |
| Liabilities Not Subject to Compromise | | | | | | |
| Current Liabilities | | | | | | |
| Debt payable within one year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | 24,897 | - | 23,688 | 321,343 | - |
| Income taxes payable | - | - | - | - | - | - |
| Asbestos-related liability expected to be disbursed within one year | - | - | - | - | - | - |
| Other current liabilities | - | 354,518 | - | - | 141,682 | - |
| Total Current Liabilities | - | 379,415 | - | 23,688 | 463,025 | - |
| Debt payable after one year | - | - | - | - | - | - |
| Deferred income taxes | - | 0 | - | - | - | - |
| Asbestos-related liability expected to be disbursed after one year | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Total Liabilities Not Subject to Compromise | - | 379,415 | - | 23,688 | 463,025 | - |
| Liabilities Subject to Compromise | | | | | | |
| Debt, pre-petition plus accrued interest | - | - | - | - | - | - |
| Accounts payable | - | - | - | - | 133,907 | - |
| Income taxes payable | 16,398,003 | (927,068) | (150) | (4,105,467) | 2,179,001 | (53,270) |
| Asbestos-related liability | - | - | - | - | - | - |
| Other liabilities | - | 244,262 | - | - | - | - |
| Total Liabilities Subject to Compromise | 16,398,003 | (682,807) | (150) | (4,105,467) | 2,312,908 | (53,270) |
| Total Liabilities | 16,398,003 | (303,392) | (150) | (4,081,779) | 2,775,934 | (53,270) |
| Shareholders' Equity (Deficit) | | | | | | |
| Preferred Stock | 112 | - | - | - | - | - |
| Common Stock | 1,000 | 1,000 | - | 1,000 | 1,000 | 200 |
| Paid in capital | (29,267,410) | - | 25,358,993 | 61,845,489 | - | 274,606 |
| (Accumulated deficit)/Retained earnings | 107,885,823 | (483,005) | 115,166,011 | (47,911,536) | 3,140,148 | (4,391,946) |
| Treasury stock, at cost | - | - | - | - | - | - |
| Accumulated other comprehensive loss | - | 3,412,886 | - | 44,257,830 | - | - |
| Total Shareholders' Equity (Deficit) | 78,619,525 | 2,930,881 | 140,525,004 | 58,192,783 | 3,141,148 | (4,117,141) |
| Total Liabilities and Shareholders' Equity (Deficit) | \$ 95,017,528 | \$ 2,627,489 | \$ 140,524,854 | \$ 54,111,005 | \$ 5,917,082 | \$ (4,170,411) |

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2004

| | Alewite Boston Ltd. | Five Alewife Boston Ltd. | GN Holdings, Inc. | MRA Holdings Corp. | MRA Intermedco, Inc. | MRA Staffing Systems, Inc. |
|--|-----------------------|--------------------------|------------------------|----------------------|----------------------|----------------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts and other receivables, net | - | - | - | - | - | - |
| Receivables from/(payables to) filing and non-filing entities, net | (2,143,580) | - | (57,817,172) | (110) | (330) | (16,653) |
| Inventories | - | - | - | - | - | - |
| Deferred income taxes | - | - | - | - | - | - |
| Other current assets | - | - | - | - | - | - |
| Total Current Assets | (2,143,580) | - | (57,817,172) | (110) | (330) | (16,653) |
| Properties and equipment, net | - | - | - | - | - | - |
| Goodwill | - | - | - | - | - | - |
| Cash value of company owned life insurance, net of policy loans | - | - | - | - | - | - |
| Deferred income taxes | - | - | - | - | - | - |
| Asbestos-related insurance receivable | - | - | - | - | - | - |
| Loans receivable from/(payable to) filing and non-filing entities, net | - | - | - | - | - | - |
| Investment in filing and non-filing entities | - | - | 34,053,467 | 54,500,000 | 54,500,000 | 56,011,577 |
| Other assets | - | - | - | - | - | - |
| Total Assets | \$ (2,143,580) | \$ - | \$ (23,763,706) | \$ 54,499,890 | \$ 54,499,670 | \$ 55,994,924 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | | | | | |
| Liabilities Not Subject to Compromise | | | | | | |
| Current Liabilities | | | | | | |
| Debt payable within one year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | - | - | - | - | - |
| Income taxes payable | - | - | - | - | - | - |
| Asbestos-related liability expected to be disbursed within one year | - | - | - | - | - | - |
| Other current liabilities | - | - | - | - | - | - |
| Total Current Liabilities | - | - | - | - | - | - |
| Debt payable after one year | - | - | - | - | - | - |
| Deferred income taxes | - | - | - | - | - | - |
| Asbestos-related liability expected to be disbursed after one year | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Total Liabilities Not Subject to Compromise | - | - | - | - | - | - |
| Liabilities Subject to Compromise | | | | | | |
| Debt, pre-petition plus accrued interest | - | - | - | - | - | - |
| Accounts payable | - | - | - | - | - | - |
| Income taxes payable | (210) | - | - | (110) | (330) | (4,062) |
| Asbestos-related liability | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Total Liabilities Subject to Compromise | (210) | - | - | (110) | (330) | (4,062) |
| Total Liabilities | (210) | - | - | (110) | (330) | (4,062) |
| Shareholders' Equity (Deficit) | | | | | | |
| Preferred Stock | - | - | - | - | - | - |
| Common Stock | - | - | 931,540 | 1 | 130 | 130 |
| Paid in capital | - | - | 9,408,460 | 54,499,999 | 54,499,870 | 54,499,870 |
| (Accumulated deficit)/Retained earnings | (2,143,370) | - | (34,103,706) | - | - | 1,498,986 |
| Treasury stock, at cost | - | - | - | - | - | - |
| Accumulated other comprehensive loss | - | - | - | - | - | - |
| Total Shareholders' Equity (Deficit) | (2,143,370) | - | (23,763,706) | 54,500,000 | 54,500,000 | 55,998,986 |
| Total Liabilities and Shareholders' Equity (Deficit) | \$ (2,143,580) | \$ - | \$ (23,763,706) | \$ 54,499,890 | \$ 54,499,670 | \$ 55,994,924 |

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.